

California Division

TO: All Department Heads  
FROM: Industrial Relations, 90-41

DATE: August 12, 1954

SUBJECT: REVISED INDUSTRIAL RELATIONS DIRECTIVE 4-A

Attached Industrial Relations Directive No. 4-A, "Salaried Employees' Sick Leave Plan", as revised, contains a number of modifications in Company policy, two of which are of major importance. One concerns the method of computing sick leave credit granted employees upon transfer from salary to hourly status. The other pertains to the reduced weekly pay of employees absent under the sick leave plan. Outlined below in question and answer form is an analysis which may help clarify the application of these two particular provisions.

Q. When a salaried employee is transferred to hourly status, how is the hourly sick leave credit granted him computed?

A- Section A-5-a, as revised, now provides that if an employee's salaried seniority is continued on transfer to hourly status, such employee is granted sick leave credit equivalent to the amount he would have been granted in the current year of service had he been on hourly status, less the number of hourly sick leave days paid, if any.

Example: While on salaried status an employee crosses his eligibility date for the current year of service, which was November 1, 1953. He remains on the salaried payroll until transferred to hourly status on August 2, 1954. Applying the above rule, such employee is granted 6 days of sick leave credit, the same amount he would have been granted last November 1, had he been on hourly status. No reduction of credit is made due to sick leave paid while on salaried status.

Example: In another case, an employee on hourly status as of his November 1, 1953, eligibility date, is granted 6 days of sick leave credit. Employee continues on hourly status until January 31, 1954. During this three-month period he received 2 days of hourly sick leave pay. Effective February 1, 1954, employee is placed on the salaried payroll, and on July 26, 1954 is retransferred to hourly. Upon return to hourly status such employee is granted 4 days sick leave credit (6 days granted November 1, 1953, less 2 days paid sick leave while on hourly status).

Apart from the sick leave credit that may be established by the above rule for an employee transferred from salary to hourly status, additional sick leave credit may also be granted under new Section A-5-a(1). This section provides that for those employees who were on hourly status

during the period when a cumulative sick leave plan was in effect for hourly employees, the number of sick leave days accumulated by the employee at the time of his transfer to salary status shall be reestablished to his credit.

Example: An employee transfers from salary to hourly status on July 26, 1954. Examination of the sick leave register maintained by the Payroll Accounting Department shows employee was previously on hourly status from August 11, 1947, to January 2, 1953; that during this period when unlimited accumulation of sick leave credit was permitted, employee accumulated and had remaining to his credit an hourly unused sick leave balance of 9 days, when transferred to salaried status on January 5, 1953. These 9 days are restored to his credit upon return to hourly status on July 26, 1954.

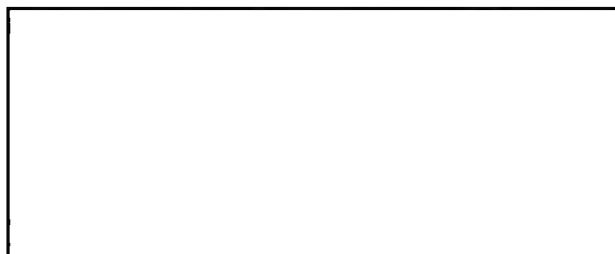
Q. In what circumstances does Section B-1 of the revised directive now permit a reduction of salary for absences due to personal illness or injury or due to critical illness or death in the employee's immediate family?

A- Previously, under Company policy, when an employee either (a) had exhausted his salaried sick leave credit or (b) had used the allowable 30-day maximum of paid sick leave in a calendar year, such employee would continue to receive his regular 5-day week salary if further absences occurred in a week in which the employee was at any time present at work.

Company policy, as modified, now provides that when an employee has exhausted either his credit or limit of sick leave, a reduction from his weekly pay is made for each day of absence. As in the past, however, additional sick leave pay may be granted for such continued absence upon meeting the requirements set forth in Section B-2 of the directive.

Example: An employee exhausts his salaried sick leave credit due to personal illness. The last day of paid sick leave was for absence occurring on a Monday. His absence continues through the following day, Tuesday, and employee then returns to work on Wednesday. A reduction of one day from his regular 5-day week salary will be made unless the required request and approvals for additional sick leave are obtained.

Any inquiries concerning the application of the above provisions should be directed to the Personnel Units.



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All Department Heads

4-A

Industrial Relations, 90-41

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SALARIED EMPLOYEES' SICK LEAVE PLAN

8-16-54

Reference: Management Directive No. 5  
Revisions: Indicated by asterisk(\*)

A. Sick Leave Credit

1. Accumulation

Sick leave credit is accumulated by salaried employees at the rate of six days on January first, and six days on July first of each year. No limit is placed on such accumulation (see paragraph B-1 below, for reference to maximum use of sick leave credit during each calendar year).

- a. Employees hired at salaried status are credited with a prorated portion of six days of sick leave, computed at the rate of one day for each month (including month of hire) remaining until the next following July or January.
- b. A newly-hired salaried employee may take a maximum of six days of paid sick leave prior to the July or January next following his employment; however, any amount taken prior to such July or January, in excess of his grant at time of hire, is deducted from his first full grant of six days' sick leave credit.

2. Part-time salaried employee

Sick leave credit for a part-time salaried employee shall be proportionately reduced.

3. Hourly to salary transfer

An hourly-rated employee who is transferred to salaried status is granted credit of one day of sick leave for each six months' period or major portion thereof that he has been employed on hourly status up to the start of the month in which he is transferred, plus one day for the current month and for each following month until the next succeeding July or January.

4. Termination and rehire

In the event that a salaried employee terminates, his accumulated sick leave balance is cancelled.

- a. If such an employee, other than one on military leave, is rehired

to salaried status with restoration of seniority, the cancelled sick leave credit is returned at time of reinstatement, plus the same grant of sick leave credit until the next following July or January as in the case of a new salaried employee (see paragraph A-1 above).

- b. If such an employee is rehired without restoration of seniority he is granted sick leave credit on the same basis as a new employee, without return to his previous balance.

5. Salary to hourly transfer

In the event that a salaried employee transfers to an hourly occupation, sick leave privileges are determined on the basis of the employee's seniority status.

- \* a. If an employee's salaried seniority is continued on transfer to hourly status, such employee is granted sick leave credit equivalent to the amount he would have been granted in the current year of service had he been on hourly status, less the number of hourly sick leave days paid, if any.
- \* (1) For those employees who were on hourly status during the period when a cumulative sick leave plan was in effect for hourly employees, the number of sick leave days accumulated by the employee at the time of his transfer to salary status shall be re-established to his credit.
- b. If an employee's seniority begins with the date of his transfer from salaried to hourly status, such employee is entitled only to the sick leave privileges of a new hire.

6. Hourly to salary re-transfer

- \* If an hourly employee is retransferred from hourly to salaried status, the cancelled balance of his salaried sick leave credit is restored. In addition, such employee is granted one day of sick leave for each six-months' period or major portion thereof for the most recent period he has been employed on hourly status up to the start of the month in which he is transferred, plus one day for the current month and for each month until the next succeeding July or January. The month(s) used in establishing salaried sick leave credit restored shall not be applied as hourly service time in computing the additional sick leave granted on retransfer to salaried status.

7. Veteran reinstatement

In establishing a sick leave balance for veteran employees on their reinstatement from military leave, credit shall be granted for all time between the seniority date of the veteran and the date of his reinstatement, under the same regulations as were applied to salaried employees on the active payroll during this period.

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B. Sick Leave Payments (and Deductions from Sick Leave Credit)

\* 1. Payment of sick leave

In the event of a salaried employee's absence for a regular working day, during his scheduled 5-day work week, caused by his illness or injury, or critical illness or death in his immediate family, the following rules will apply:

- a. Such an employee is entitled to sick leave pay for each full day of absence to the extent of his sick leave credit, but not to exceed a maximum of 30 working days in a calendar year.
- b. The number of sick leave days paid is deducted from the employee's accumulated sick leave credit.

\* 2. Additional sick leave allowance

When such an absence occurs in a regular work week and the employee either has exhausted his sick leave credit or he has exhausted his yearly allowable maximum of 30 days, the following provisions will apply:

- a. The department concerned is notified of all such salaried employees by the Payroll Accounting Department.
- b. Generally, the rule is that such an employee is not entitled to receive sick leave pay; however, payment of sick leave may be authorized when requested in writing by the department head and approved by the Manager of the Personnel General Department and the appropriate Salary Board.
- c. Any such additional sick leave pay, when granted, is recorded and charged against existing or future sick leave credit accruals for the employee involved.

C. Authorizing Sick Leave Pay

1. Employee illness or injury

- \* Pay for absences due to the employee's illness or injury of less than two consecutive payroll weeks is authorized by the employee's department head on the Salaried Roll Call card.
- \* Pay for absences due to the employee's illness or injury of two or more consecutive payroll weeks in which no work is performed requires the authorization of the department head on the Roll Call card and, in addition, a written certification as to the disability by the employee's personal physician, submitted to the Payroll Accounting Department.
  - a. Pay will be continued after five consecutive working days through an additional period of ten working days, during which time the

Payroll Accounting Department will mail a "Physician's Report of Illness", Form DX6006, to the employee's home address as on file with the Company.

This form must be properly completed by a licensed physician and returned to the Payroll Accounting Department within the ten-day period referred to above or further sick leave pay will be withheld. If a properly completed "Physician's Report of Illness" (or approved substitute thereof) is not submitted by the employee covering his absence, deductions will be made from subsequent pay checks for the entire amount of sick leave pay granted for the disability in question.

2. Critical illness or death in immediate family

- \* Pay for absences of four working days or less due to critical illness or death in the employee's immediate family is authorized by the employee's department head on the Salaried Roll Call card.
- \* Pay for absences in excess of four working days requires the authorization of the department head on the Roll Call card and, in addition, a written certification of the circumstances, submitted in the manner as described in paragraph C-1-a, above.

3. Other means of absence verification

Any substitution of means of verification for absence requiring a written certification of a physician must be approved by the Manager of the Personnel General Department.

- \* The authorizing of pay for any absence of salaried employees and the method of certification as to the reason for absence may be made in a manner other than described above when deemed advisable by Industrial Relations.

D. Prolonged Absence and Authorized Sick Leave

1. Accumulation of sick leave credit

The provisions for accumulation of sick leave credit as of January 1 and July 1 of each year (see Section A, above) and for extension of the 30-day maximum allowable during a calendar year as of January 1 each year (see Section B-1, above) are effective for any salaried employee on authorized sick leave as of those dates.

2. Placement on prolonged absence

When a salaried employee becomes ineligible to further paid sick leave, he is placed on Prolonged Absence status unless he is expected to return to work or will become eligible to additional sick leave within thirty days thereafter (see Section A-1, above). In the latter event, and when sick leave becomes available, he is granted the six days' pay (subject to verification as required in Section C-1, above) and is placed on Prolonged Absence status thereafter.

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3. Employee already on prolonged absence

A salaried employee who is on Prolonged Absence by reason of illness or injury accumulates six days of credit as of any January 1 or July 1 occurring while on this status; however, such credit may not be used until reinstatement of the employee, except as provided in Section D-4 below.

4. New calendar year

A salaried employee who is on Prolonged Absence as of any January 1, because he has used thirty days of sick leave credit in the previous calendar year, may at that time be paid the balance of sick leave remaining to his credit, including the additional six days to which he then becomes eligible. This grant is subject to the limitations specified in Section B above, and is conditional upon verification required in Section C, above.

E. Optional Leave With Pay

1. Use of sick leave as optional leave

A full-time salaried employee on the active payroll of the Company may at his option use five (5) days of sick and injury leave, as optional leave with pay. Such optional leave with pay may be used by an employee not more than once in each year of service beginning with the year of service commencing on or after February 1, 1953, for employees in classifications represented by the Engineers and Architects Association, and commencing on or after March 1, 1953, for non-represented employees.

2. Eligibility requirements

To be eligible for optional leave with pay an employee must:

- a. Have been a full-time salaried employee on the active payroll of the Company on his vacation eligibility date for his current year of service, preceding the use of such optional leave; and,
- b. Be a full-time salaried employee on the active payroll of the Company at the time he uses such optional leave; and,
- c. Have accumulated five (5) or more days of unused sick and injury leave both on the last day prior to his vacation eligibility date for his current year of service and at the time he uses such optional leave; and,
- \* d. Have twelve (12), thirteen (13), or fourteen (14) years' seniority on his vacation eligibility date.

3. Other regulations governing optional leave

- a. Pay for such five (5) days' optional leave means pay for one (1) normal 5-day work week at the employee's base rate of pay in effect at the time such optional leave is used.
- \* b. Optional leave-with-pay credits shall not be cumulative from year to year. Such optional leave, when used, must be used within one calendar 5-day week, and shall be used in the week next following such employee's taking of the vacation privileges; except that the Company may require that such optional leave be taken at some other time in the interest of operating requirements, and except that such optional leave may be taken at a different time (following the vacation) upon written request of the employee subject to written approval of such request by the superintendent or equivalent level of supervision.
- c. Such optional leave when used shall reduce by five (5) days the number of days of such employee's unused accumulated sick and injury leave but shall not affect the 30-day allowable sick and injury leave limit described under Section B-1 of this directive.
- d. If a holiday falls during the optional leave with pay period, no additional time or pay will be granted for the holiday; however, in such a case the sick leave credit shall be reduced by four (4) days instead of five.
- \* e. An employee who has become eligible for such optional leave but is severed from the payroll for any reason shall not be entitled to pay lieu thereof and shall not be entitled to pro rata pay for such optional leave not used.

Questions regarding the application of this directive should be referred to the Personnel Units.



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